

through want of resources on the part of the mortgagor the buildings had been allowed to fall into so serious a state of disrepair that a heavy loss on sale was sustained. For the certain return of his principal unimpaired, the premises should necessarily be seen to be kept preserved in the same structural and internal condition as that which existed when the advance was 'completed.

12. The Fire Policies should be for such an amount as the valuer may report to be necessary for the rebuilding of the premises—in the event of *total* destruction by fire, not a partial loss—in the original state, and it is well also that one year's rent should be insured, so that interest may be forthcoming (to meet the possibility of the mortgagor being then unable to pay) during the re-erection. The Policy should remain in the lender's possession, duly assigned with notice to the company and in a Fire Company selected by himself.

13. A wise rule is this : never burden the Borrower with terms and conditions which are not reasonably requisite to render the security safe. For example, do not demand a higher rate than the current rate of interest upon mortgages, although his present necessities may compel him to accept whatever terms may be imposed: and again, do not require him to effect, say, a life policy as collateral security where such a supplement is not absolutely necessary. Eemember that every needless burden entailed upon a Borrower renders him less competent to discharge his obligations, and thus reduces the stability of the advance.

14. It is well to avoid loans upon weekly-rented properties. They often form remunerative investments as purchases (from the pecuniary point of view), provided the rent be punctually and invariably applied for personally. I am informed that* if

the collector be half-an-hour on any occasion behind the time of his regular call, the rent, though ready at the prescribed hour, has vanished through the delay. But, both as subjects of mortgage and purchase, the careful investor will avoid these properties, since the cost of repairs and the incessant super vision are too troublesome to receive compensation in the additional rate of return which they produce.

15. I should have mentioned that both in respect of freehold

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